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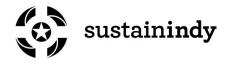
DEPARTMENT OF PUBLIC WORKS

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INDIANAPOLIS SANITARY DISTRICT CREDIT RATING UPGRADED

City to secure loans at reduced interest rates, public to benefit from long-term savings

INDIANAPOLIS – Standard & Poor's Rating Services raised the bond credit rating of the Indianapolis Sanitary District from AA to AA+ this week, citing strong management of the city's sanitary sewer capital improvement program and the federally-mandated plan to reduce raw sewage overflows. The improved rating will allow the Indianapolis Sanitary District to borrow at lower interest rates on future loans and help keep future sanitary sewer rates lower for users.

"We are very pleased with the upgraded credit rating," Mayor Greg Ballard said. "The administration and staff of the sanitary district and the Department of Public Works (DPW) make financial responsibility a top priority on each and every project. Now, our city and the taxpayers can reap the benefits of the district's hard work and diligence."

The Indianapolis Sanitary District is responsible for financing the federally-mandated \$1.7 billion Consent Decree to reduce raw sewage overflows, as well as an additional \$1.8 billion in capital projects through 2025 to rehabilitate aging sanitary sewers, increase sewer and wastewater treatment plant capacity and bring sewers to thousands of homes in neighborhoods currently on septic systems. The majority of projects are financed with bonds and Indiana State Revolving Fund loans, and repaid with sanitary sewer user fees. With the upgraded credit rating, the city will be able to secure lower interest bonds and loans, and in turn, reduce the financial burden to users.

A Standard & Poor's credit rating provides an opinion of an organization's creditworthiness. Each rating is determined based on the principles of independence, integrity and disclosure, which are the same principles that encourage market confidence.

The AA+ credit rating assigned by Standard & Poor's indicates that the Indianapolis Sanitary District possesses a "very strong capacity to meet financial commitments." Standard & Poor's rating report cites good management practices, good debt service coverage and strong cash position as the key rationales for upgrading Indianapolis' credit rating.

Indianapolis' rating is higher than or equivalent to other districts of a similar size: Louisville, Ky., is rated AA-, Cincinnati and Columbus, Ohio, are rated AA, and St. Louis is rated AA+.

The Indianapolis Sanitary District also continues to demonstrate financial stewardship with the recent closing of a new loan agreement with the Indiana Finance Authority. The sanitary district reduced the interest rate from 2.84 percent to 2.58 percent on a new \$32.05 million American Recovery and Revitalization Act Loan through the Indiana Finance Authority. The Indianapolis Sanitary District had committed to close the agreement June 30 with an interest rate of 2.84 percent. However, DPW and Indiana State Revolving Fund staff monitored interest rates and determined that it would be more beneficial to wait until July to close. Working with the Indiana Finance Authority, the sanitary district delayed the closing in order to commit to a decreased interest rate of 2.58 percent, which will save sanitary users more than \$1 million in future interest payments over 20 years.

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